

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 AGRE-00 CIAE-00  
COME-00 INR-07 LAB-04 NSAE-00 EPG-02 SP-02 STR-04  
TRSE-00 FRB-01 OMB-01 ITC-01 PA-02 PRS-01 USIA-15  
/070 W

-----089288 080112Z /61

R 071603Z JUL 77

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 2431

INFO AMEMBASSY BRUSSELS

AMEMBASSY PARIS

UNCLAS RABAT 3703

E.O. 11652: N/A

TAGS: ETRD MO

SUBJECT: TEXTILES --FRENCH SAFEGUARD ACTION

BRUSSELS FOR USEEC

REF: BRUSSELS 7160

SUMMARY. THE DECISION BY THE FRENCH GOVERNMENT TO IMPOSE,  
AS OF JUNE 23, 1977, ADMINISTRATIVE QUOTAS ON TEXTILE  
IMPORTS FROM MOROCCO WILL IMPEDE GROWTH IN WHAT HAS IN  
RECENT YEARS BEEN ONE OF THE MOST DYNAMIC SECTORS OF THE  
MOROCCAN ECONOMY. GROWTH IN EXPORTS WILL BE CORRESPONDINGLY  
RETARDED, FURTHER EXACERBATING MOROCCAN BALANCE-OF-  
PAYMENTS PROBLEMS.  
END SUMMARY.

1. THE DECISION OF THE OF TO IMPOSE ADMINISTRATIVE  
QUOTAS IN ACCORDANCE WITH ARTICLE 19 OF GATT ON IMPORTS  
OF CERTAIN TEXTILES FROM MOROCCO WILL INEVITABLY IMPAIR  
PROJECTED GROWTH IN MOROCCAN TEXTILE INDUSTRY. ALTHOUGH  
GOF HAS NOT YET ESTABLISHED QUOTAS FOR THE VARIOUS  
PRODUCTS COVERED BY THE DECISION, IT IS ASSUMED  
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THAT THESE QUOTAS WILL ALLOW FOR ONLY VERY MODEST INCREASES  
IN IMPORTS FROM MOROCCO.

2. EXPORTS OF MOROCCAN TEXTILES TO FRANCE INCREASED 37  
PER CENT DURING CY 1976, THE FIRST YEAR IN WHICH THE VALUE  
OF TEXTILE EXPORTS TO FRANCE EXCEEDED THE  
VALUE OF TEXTILE IMPORTS FROM FRANCE. (IMPORTS - \$43.98  
MILLION; EXPORTS - \$50 MILLION.) WITH IMPENDING

COMPLETION OF MAJOR TEXTILE PLANTS IN OUED ZEM AND SETTAT, GOM WAS COUNTING ON FURTHER DRAMATIC INCREASES IN TEXTILE EXPORTS IN EFFORT TO REDUCE CHRONIC BALANCE-OF-PAYMENT DEFICITS. GOM HAS ITSELF INVESTED HEAVILY IN TEXTILE INDUSTRY AND HAS ALSO ACTIVELY ENCOURAGED PRIVATE INVESTMENT IN THAT SECTOR.

3. LOCAL NEWSPAPERS REPORT THAT THE MOROCCAN AMBASSADOR TO THE EEC HAS ALREADY REGISTERED WITH THE COMMISSION HIS COUNTRY'S PROTEST AGAINST THE FRENCH DECISION. FRENCH ECOUN HERE REPORTS HE HAS HAD MUCH EXPLAINING TO DO LOCALLY. MOROCCANS ARE PARTICULARLY IRKED THAT DECISION DOES NOT SEEM TO TAKE INTO ACCOUNT LARGE OVERALL BILATERAL DEFICIT MOROCCO INCURS ANNUALLY WITH FRANCE (NEGATIVE DH 1.78 BILLION - \$404.5 MILLION IN 1975).ANDERSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, IMPORT QUOTAS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition History:** n/a  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation Codes:**  
**Litigation History:**  
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**Office:** ACTION EB  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Reference:** 77 BRUSSELS 7160  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEXTILES --FRENCH SAFEGUARD ACTION BRUSSELS FOR USEEC  
**TAGS:** ETRD, FR, MO  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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